

Message Text

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ACTION IO-13

INFO OCT-01 ISO-00 AF-08 ARA-10 EA-09 EUR-12 NEA-10

ACDA-10 CIAE-00 INR-07 L-03 NSAE-00 NSC-05 EB-07

NRC-07 OES-06 DODE-00 FEA-01 ABF-01 OMB-01 TRSE-00

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P 251316Z SEP 76

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC PRIORITY 4192

INFO AMEMBASSY BERLIN

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY BUCHAREST

AMEMBASSY THE HAGUE

AMEMBASSY ISLAMABAD

AMEMBASSY KINSHASA

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY ROME

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY TOKYO

USERDA WASHDC PRIORITY

UNCLAS SECTION 1 OF 2 RIO DE JANEIRO 3634

DEPT PASS IO/SCT AND NRC

FROM USDEL IAEA

EO 11652: NA

TAGS: AORG, OCON, AFIN, IAEA

SUBJ: IAEA 20TH GENERAL CONFERENCE: DILIBERATIONS OF COMMITTEE
OF THE WHOLE

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1. SUMMARY: IN RELATIVELY SHORT MEETING FRIDAY MORNING, SEPT 24, COMMITTEE OF THE WHOLE OF THE IAEA MEMBERSHIP DIRECTED ITS CHAIRMAN MALU WA KALENGA TO RECOMMEND TO THE CONFERENCE PLENARY APPROVAL OF AGENDA ITEMS 8, 9, AND 10 ON, RESPECTIVELY, THE AGENCY'S ACCOUNTS FOR 1975, THE PROGRAM FOR 1977-82 AND BUDGET FOR 1977, AND ASSESSMENT OF MEMBERS' CONTRIBUTIONS TO THE REGULAR BUDGET. DEBATE ON THE REGULAR BUDGET WAS MODERATE, WITH DEVELOPING COUNTRIES SETTING FORTH FAMILIAR THEME OF INADEQUACY OF TECHNICAL ASSISTANCE AND DEVELOPED MEMBERS REPEATING EQUALLY FAMILIAR THEME OF SEEKING TO HOLD DOWN COSTS. USDEL INTERVENED ONCE IN DEBATE TO ALERT MEMBERSHIP TO POSSIBLE NEED FOR CHANGE IN ARRANGEMENTS FOR FINANCING SAFEGUARDS IN COMING MONTHS. END SUMMARY.

2. MEETING WAS CALLED TO ORDER BY CHAIRMAN MALU FROM ZAIRE. MALU DID EXCELLENT JOB THROUGHOUT DEBATE, HANDLING QUESTIONS AND ITEMS WITH FAIRNESS AND DISPATCH. FIRST ORDER OF BUSINESS WAS ANNOUNCEMENT OF CONSENSUS ON ELECTION OF TWO VICE-CHAIRMAN OF COMMITTEE, THE REPRESENTATIVES FROM VENEZUELA AND THE PHILIPPINES. COMMITTEE THEN AGREED WITHOUT DEBATE TO CONSIDER ITEMS 8, 9 AND 10 OF AGENDA IN SEQUENCE.

3. AGENDA ITEM 8 -- THE AGENCY'S ACCOUNTS FOR 1975, DOCUMENT GC(XX)/566. IT WAS RECOMMENDED BY THE CHAIRMAN TO BE FAVORABLY REPORTED TO GENERAL CONFERENCE. CHAIR THEN ANNOUNCED ITS INTENTION TO REPORT ORALLY ON ALL ITEMS BEING CONSIDERED BY THE COMMITTEE. REP OF PHILIPPINES (SIAZON) RAISED TWO POINTS. HE ASKED FIRST FOR EXPLANATION BY SECRETARIATE OF LARGE, UNOBLIGATED BALANCES IN GENERAL FUND AND REQUESTED SECRETARIAT TO SEEK WAYS TO REDUCE THEM. SECONDLY, HE ASKED WHETHER MEMBERS COULD SEE REPORT OF CHAIRMAN BEFORE IT WAS SUBMITTED ORALLY TO GENERAL CONFERENCE.

4. AGENDA ITEM 9 -- AGENCY'S PROGRAM FOR 1977-82 AND BUDGET FOR 1977, DOCUMENT GC(XX)/567. TWELVE MEMBERS SPOKE TO ITEM A AMONG DEVELOPED COUNTRIES, ITALY, JAPAN, BELGIUM, FRANCE, AND FRG ALL APPROVED OF PROGRAM AND BUDGET BUT EXPRESSED HOPE THAT RECENT EXPANSION OF AGENCY'S BUDGET COULD BE CURBED IN COMING YEAR. ITALY, E.G., SOUGHT ECONOMIES IN MEETINGS AND PUBLICATIONS; BELGIUM AND JAPAN SOUGHT RESTRICTIONS IN GROWTH IN SIZE OF STAFF AND IN THE UPGRADING OF CURRENT STAFF POSITIONS, WHICH THEY BELIEVED CAUSING AGENCY STAFFING PATTERN TO TAKE SHAPE OF INVERTED

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PYRAMID, WITH TOO MANY HIGH LEVEL POSITIONS. BOTH FRANCE AND ITALY MENTIONED THAT BUDGETS OF IO'S IN GENERAL SHOULD GROW NO FASTER THAN BUDGETS OF MEMBER STATES, INDICATING SOME PRIOR AGREEMENT ON THIS LINE AMONG EC NINE. FRG ARGUED FORCEFULLY FOR INCREASED EFFICIENCY IN USE OF STAFF RESOURCES BY ELIMINATING SMALL, LOW PRIORITY ACTIVITIES WHICH USED UP PROFESSIONAL SLOTS. FRG ALSO SOUGHT INCREASED EFFECTIVENESS IN SAFEGUARDS REGIME AND ARGUED FOR DEVELOPMENT EFFORTS DIRECTED TOWARD FULL FUEL CYCLE

SAFEGUARDS. FRG STRONGLY SUPPORTED IAEA/IIASA STUDY ON RISK ASSESSMENT, CALLING PROBLEM OF PUBLIC ACCEPTANCE ONE OF "PRINCIPAL OBSTACLES" TO DEVELOPMENT OF NUCLEAR POWER. BELGIUM OBJECTED TO TRANSFER OF CASH SURPLUSES TO FINANCE AGENCY ACTIVITIES SUCH AS MOVE TO DONAUPARK. THESE, BELGIUM ARGUED, SHOULD BE RETURNED TO STATES IN ACCORDANCE WITH FINANCIAL REGULATIONS.

5. ATTITUDE OF LDC'S TOWARD PROGRAM AND BUDGET DOCUMENT WAS DIRECTED TOWARD REESTABLISHING AN EQUILIBRIUM BETWEEN GROWTH IN SAFEGUARDS COSTS AND SIZE OF TARGET FOR VOLUNTARY CONTRIBUTIONS. REPS OF PHILIPPINES, PAKISTAN, AND TO LESSER EXTENT INDONESIA MADE FORMAL ARGUMENTS REGRETTING SMALL INCREASE IN SIZE OF TARGET FOR 1977 (\$6.0 MILLION COMPARED TO \$5.5 MILLION IN 1976). PAKISTAN POINTED OUT THAT INCREASE WAS NEGLIGIBLE GIVEN GROWTH IN INFLATION IN MOST COUNTRIES AND BOTH PAKISTAN AND PHILIPPINES SPECIFICALLY TIED INCREASED SAFEGUARDS BUDGET TO NEED FOR "BALANCED" INCREASE IN TARGET. PAKISTAN ALSO OBJECTED TO WHAT HE TERMED "INVOKING SAFEGUARDS IN TECHNICAL ASSISTANCE PROJECTS," CALLING IT A "DISTURBING TREND." AND ONE WHICH IF FOLLOWED COULD "DISCOURAGE" SOME LDCS FROM APPROACHING AGENCY FOR ASSISTANCE. BOTH PAKISTAN AND PHILIPPINES STRESSED NEED FOR INCREASED TRAINING ACTIVITIES, PARTICULARLY IN REGIONAL TRAINING CENTERS. CONVENTIONAL

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TRAINING IN INSTITUTES OF THE DEVELOPED COUNTRIES WAS COSTLY, SINCE TRAVEL TO THESE COUNTRIES AND PER DIEM FOR PARTICIPANTS WAS HEAVY DRAIN ON TA RESOURCES. PHILIPPINES CLEARLY OPTED FOR BEING MADE LOCALE FOR ASIAN NATIONS IN FOOD IRRADIATION AND TESTING CENTER FOR TRAINING AND RESEARCH.

6. THE NETHERLANDS ALSO SPOKE UP FOR INCREASED ATTENTION TO FOOD IRRADIATION FOR PRESERVATION, AS BEING IMPORTANT ECOLOGICALLY, UNCLASSIFIED

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ELIMINATING NEED FOR CHEMICAL PRESERVATIVES AND REFRIGERATION IN MANY CASES. THIS, HE ASSERTED, WAS OF GREAT IMPORTANCE TO DEVELOPING MEMBER STATES WHERE CLIMATIC CONDITIONS AND LACK OF REFRIGERATION COULD LEAD TO UP TO 50 PERCENT SPOILAGE. NETHERLANDS REP WELCOMED REPORT IN GENEVA OF WHO/FAO EXPERT PANEL ON SUBJECT AND ENCOURAGED AGENCY TO REINTEREST ITSELF IN THIS IMPORTANT MOVEMENT.

7. CZECHOSLOVAKIA GAVE ONLY MAJOR STATEMENT OF EASTERN EUROPEANS, COVERING FAMILIAR GROUND. ROMANIA AND GDR ALSO SPOKE. CZECH REP STRESSED PRIORITY OF NUCLEAR POWER, SAFEGUARDS, NUCLEAR SAFETY, INIS, PEACEFUL NUCLEAR EXPLOSIVES, AND REGIONAL FUEL CYCLE CENTERS TO INSURE "ADEQUATE PLUTONIUM STOCKS" FROM IRRADIATED FUEL FOR "LONG-TERM USE OF NUCLEAR POWER." THIS LATTER ITEM WOULD BECOME, HE ASSERTED, AN URGENT QUESTION IN 1980'S, A PROBLEM, MOREOVER, TOO LARGE AND COSTLY TO BE HANDLED IN NATIONAL REPROCESSING PLANTS. CZECH REP ALSO EXPRESSED HIS GOVERNMENT'S STRONG SUPPORT FOR PROGRAMS OF USE OF RADIATION FOR FOOD PRESERVATION.

8. DIRECTOR OF BUDGET AND FINANCE, ABBADESSA, THEN TOOK PODIUM TO ANSWER QUESTIONS. HE STATED THAT HE HAD NOTED QUESTIONS AND PROPOSALS RAISED AND WOULD GIVE THEM SERIOUS STUDY, PARTICULARLY WITH RESPECT TO THE NEED FOR RESTRAINT ON EXPENDITURES, THE NEED FOR INCREASED TECHNICAL ASSISTANCE, AND THE NEED FOR MORE WORK ON FOOD IRRADIATION. HE STATED THAT THE COMPILATION OF STATISTICS FOR THE PHILIPPINE REP WOULD TAKE TIME, BUT THAT THEY WOULD BE

DELIVERED IN DUE COURSE.

9. THERE BEING NO FURTHER DEBATE, CHAIR TOOK IT THAT COMMITTEE RECOMMEND TO GENERAL CONFERENCE DRAFT RESOLUTIONS ON A. REGULAR BUDGET APPROPRIATIONS, B. OPERATIONAL BUDGET ALLOCATIONS, AND C. THE WORKING CAPITAL FUND, (ON PP. 251-253 OF DOCUMENT GC(XX)/567.

10. TURNING TO AGENDA ITEM 10, TWO ISSUES WERE SURFACED AND ACTED UPON FAVORABLY. FIRST, THE REVISED PRINCIPLES OF ASSESSMENT (GC(XX)/569) REGARDING THE FINANCING OF SAFEGUARDS WERE APPROVED UPON THE ADVICE OF THE BOARD OF GOVERNORS, FOLLOWING A STATEMENT BY USDEL (AS ONE OF CO-SPONSORS OF PROPOSAL IN FEBRUARY BG MEETING). STATEMENT WAS AS FOLLOWS:

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QUOTE MY GOVERNMENT'S SUPPORT FOR THE DRAFT RESOLUTION GC(XX)/569 IS BASED ON ARGUMENTS WE SET FORTH IN THE EARLIER MEETINGS OF THE BOARD OF GOVERNORS AND ITS A AND B COMMITTEES THIS YEAR. WE BELIEVE THAT THE DRAFT RESOLUTION BEFORE US DOES MUCH TO MEET THE NEEDS OF DEVELOPING COUNTRY MEMBERS IN HOLDING THE LINE ON ASSESSED SAFEGUARDS COSTS, WHILE AT THE SAME TIME INSURING THAT TOTAL SAFEGUARDS COST ARE SHARED ON A REALISTIC BASIS AMONG ALL MEMBER STATES.

WE ALSO REALIZE, HOWEVER, THAT THE FINANCING OF SAFEGUARDS MUST BE RESPONSIVE TO THE REALITIES OF INTERNATIONAL FINANCIAL DEVELOPMENTS OVER THE PASSAGE OF TIME. FOR EXAMPLE, LAST YEAR TWO STATES HAVING A VERY HIGH PER CAPITA NET NATIONAL PRODUCT BECAME MEMBERS OF THE AGENCY. WHILE HAVING NO EFFECT IN 1977 THIS COULD HAVE THE EFFECT OF INCREASING THE NUMBER OF COUNTRIES ON THE "PROTECTED LIST" IN FUTURE YEARS. IT MAY BE NECESSARY, THEREFORE, TO CONSIDER FURTHER MODIFICATIONS WITHOUT ALTERING THE OBJECTIVES OF THE DRAFT RESOLUTION IN DOCUMENT GC(XX)/569.

WE ANTICIPATE THAT THE BOARD WILL BE ADVISED OF ANY CHANGES THAT MAY BE DESIREABLE TO REFLECT CHANGING CONDITIONS. END QUOTE.

11. SECOND MATTER UNDER AGENDA ITEM 10. ASSESSMENT OF MEMBERS' CONTRIBUTIONS TOWARD AGENCY'S REGULAR BUDGET WAS APPROVED WITHOUT DISCUSSION, AND MEETING WAS ADJOURNED AT ONE O'CLOCK.
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Disposition Case Number: n/a
Disposition Comment:
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Disposition History: n/a
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